



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-533-872]

#### Finished Carbon Steel Flanges from India: Preliminary Results of Countervailing Duty Administrative Review; 2020

AGENCY: Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) preliminarily determines that Norma (India) Ltd. (Norma) and R.N. Gupta & Co. Ltd. (RNG) received countervailable subsidies during the period of review (POR), January 1, 2020, through December 31, 2020.

Interested parties are invited to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: James R. Hepburn or Preston N. Cox, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1882 or (202) 482-5041, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On August 24, 2017, Commerce published in the *Federal Register* the countervailing duty order on finished carbon steel flanges from India.<sup>1</sup> On August 2, 2021, Commerce published a notice of opportunity to request an administrative review of the *Order*.<sup>2</sup> On August 31, 2021, Weldbend Corporation and Boltex Manufacturing Co., L.P. (the petitioners) requested a review of 41 producers and/or exporters of subject merchandise.<sup>3</sup> Further, between

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<sup>1</sup> See *Finished Carbon Steel Flanges from India: Countervailing Duty Order*, 82 FR 40138 (August 24, 2017) (*Order*).

<sup>2</sup> See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 86 FR 41436 (August 2, 2021).

<sup>3</sup> See Petitioners' Letter, "Finished Carbon Steel Flanges from India: Request for Administrative Review," dated August 31, 2021.

August 9 and 30, 2021, Commerce received multiple requests for an administrative review of the *Order*.<sup>4</sup> On October 7, 2021, Commerce published a notice of initiation of an administrative review of the *Order*.<sup>5</sup> On November 15, 2021, Commerce selected Norma and RNG as mandatory respondents in this administrative review.<sup>6</sup> On April 25, 2022, Commerce extended the time period for issuing these preliminary results by 120 days, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), to August 31, 2021.<sup>7</sup>

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>8</sup> A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix I to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

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<sup>4</sup> See Munish Forge Private Limited's Letter, "Finished Carbon Steel Flanges from India: Request for Countervailing Duty Administrative Review," dated August 9, 2021; Balkrishna Steel Forge Pvt. Ltd.'s Letter, "Finished Carbon Steel Flanges from India: Request for Countervailing Duty Administrative Review of Balkrishna Steel Forge Pvt. Ltd. for the Period of January 01, 2020 to December 31, 2020," dated August 30, 2021; Cetus Engineering Private Limited's Letter, "Finished Carbon Steel Flanges from India: Request for Countervailing Duty Administrative Review of Cetus Engineering Private Limited ("Cetus") for the period of January 01, 2020 to December 31, 2020," dated August 30, 2021; Jai Auto Pvt. Ltd.'s Letter, "Finished Carbon Steel Flanges from India: Request for Countervailing Duty Administrative Review of Jai Auto Pvt. Ltd for the Period of January 01, 2020 to December 31, 2020," dated August 30, 2021; Norma's Letter, "Finished Carbon Steel Flanges from India: Request for Countervailing Duty Administrative Review for Norma (India) Limited, USK Export Private Limited, Umashanker Khandelwal and Co. and Bansidhar Chiranjilal," dated August 30, 2021; and RNG's Letter, "Finished Carbon Steel Flanges from India: Request for Countervailing Duty Administrative Review," dated August 30, 2021.

<sup>5</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 55811, 55817-18 (October 7, 2021).

<sup>6</sup> See Memorandum, "Countervailing Duty Administrative Review of Finished Carbon Steel Flanges from India: Respondent Selection," dated November 15, 2021.

<sup>7</sup> See Memorandum, "Finished Carbon Steel Flanges from India: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 2020," dated April 25, 2022.

<sup>8</sup> See Memorandum, "Decision Memorandum for the Preliminary Results of the 2020 Administrative Review of the Countervailing Duty Order on Finished Carbon Steel Flanges from India," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

### Scope of the Order

The merchandise covered by the *Order* is finished carbon steel flanges. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.

### Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Act. For each of the subsidy programs found to be countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>9</sup> For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum.

### Companies Not Selected for Individual Review

For the companies not selected for individual review, because the rates calculated for Norma and RNG were above *de minimis* and not based entirely on facts available, we applied a subsidy rate based on a weighted average of the subsidy rates calculated for Norma and RNG using publicly ranged sales data submitted by the respondents.<sup>10</sup>

### Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated individual subsidy rates for Norma and RNG. For the period January 1, 2020, through December 31, 2020, we preliminarily determine that the following net countervailable subsidy rates exist:

<b>Company</b>	<b>Subsidy Rate (percent <i>ad valorem</i>)</b>
Norma (India) Ltd. <sup>11</sup>	4.21
R.N. Gupta & Co. Ltd.	3.61
Non-Selected Companies Under Review ( <i>see</i> Appendix II) <sup>12</sup>	3.88

<sup>9</sup> See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

<sup>10</sup> See Memorandum, “Preliminary Results Calculation of Subsidy Rate for Non-Selected Companies Under Review,” dated concurrently with this notice.

<sup>11</sup> As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with Norma (India) Ltd.: USK Export Private Limited; Uma Shanker Khandelwal and Co.; and Bansidhar Chiranjilal. This rate applies to all cross-owned companies.

<sup>12</sup> See Appendix II for a list of companies not selected for individual examination.

## Disclosure and Public Comment

We will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.<sup>13</sup> Interested parties may submit case briefs no later than 30 days after the date of publication of these preliminary results.<sup>14</sup> Rebuttal briefs, limited to issues raised in case briefs, may be filed no later than seven days after the date for filing case briefs.<sup>15</sup> Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, using Enforcement and Compliance's ACCESS system within 30 days of the publication of this notice. Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants, whether any participant is a foreign national; and (3) a list of the issues to be discussed. Issues addressed during the hearing will be limited to those raised in the respective case and rebuttal briefs.<sup>16</sup> If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm the date and time of the hearing two days before the scheduled date.

Parties are reminded that all briefs and hearing requests must be filed electronically using ACCESS and received successfully in their entirety by 5:00 p.m. Eastern Time on the due date. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.<sup>17</sup>

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act and 19 CFR

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<sup>13</sup> See 19 CFR 351.224(b).

<sup>14</sup> See 19 CFR 351.309(c)(1)(ii).

<sup>15</sup> See 19 CFR 351.309(d)(1); see also *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020) (*Temporary Rule*).

<sup>16</sup> See 19 CFR 351.310(c).

<sup>17</sup> See *Temporary Rule*.

351.213(h)(2), Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in any written briefs, no later than 120 days after the date of publication of these preliminary results.

#### Assessment Rate

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producers/exporters shown above. Upon completion of the administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. We intend to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

#### Cash Deposit Rate

In accordance with section 751(a)(1) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of final results of this administrative review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

#### Notification to Interested Parties

These preliminary results of review are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213 and 351,221(b)(4).

Dated: August 30, 2022.

Lisa W. Wang,  
Assistant Secretary  
for Enforcement and Compliance.

## **Appendix I**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Subsidies Valuation Information
- V. Benchmark Interest Rates and Discount Rates
- VI. Analysis of Programs
- VII. Rate for Non-Examined Companies
- VIII. Recommendation

## **Appendix II**

### **Companies Not Selected for Individual Examination**

1. Adinath International
2. Allena Group
3. Alloyed Steel
4. Balkrishna Steel Forge Pvt. Ltd.
5. Bebitz Flanges Works Private Limited
6. C. D. Industries
7. Cetus Engineering Private Limited
8. CHW Forge
9. CHW Forge Pvt. Ltd.
10. Citizen Metal Depot
11. Corum Flange
12. DN Forge Industries
13. Echjay Forgings Limited
14. Falcon Valves and Flanges Private Limited
15. Heubach International
16. Hindon Forge Pvt. Ltd.
17. Jai Auto Pvt. Ltd.
18. Kinnari Steel Corporation
19. Mascot Metal Manufacturers
20. M F Rings and Bearing Races Ltd.
21. Munish Forge Private Limited
22. OM Exports
23. Punjab Steel Works
24. Raaj Sagar Steels
25. Ravi Ratan Metal Industries
26. R.D. Forge
27. Rolex Fittings India Pvt. Ltd.
28. Rollwell Forge Engineering Components and Flanges
29. Rollwell Forge Pvt. Ltd.
30. SHM (ShinHeung Machinery)
31. Siddhagiri Metal & Tubes
32. Sizer India
33. Steel Shape India
34. Sudhir Forgings Pvt. Ltd.
35. Tirupati Forge Pvt. Ltd.
36. Umashanker Khandelwal Forging Limited

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